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- GRAY SCALE DOCUMENTS

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Exhibit 5

THE Concept is A DVD Vending Kiosk.
It Will House A TOUCH SCREEN DISPLAY connected
to A Computer, A SCANNER to quickly test the condition
of OUTGOING & INCOMING disks, A RANDOM STACKING
SYSTEM WITH A SERIAL # READER, A CREDIT CARD
CHARGING SYSTEM, A DISPENSING & RETRIEVAL SYSTEM
AND A DISPENSER FOR TYVEK OR SOME OTHER PROTECTIVE
SLEEVE FOR THE DISKS. ALSO A PRINTER FOR RECEIPTS
AND/OR MOVIE NOTES, PREFERABLY ONTO THE
PROTECTIVE SLEEVE.

THE SYSTEM COULD BE USED AS A MOVIE (DVD)(DVSK)
RENTAL & SALES KIOSK. I MAY ALSO HAVE OTHER
APPLICATIONS SUCH AS CD ROM SALES, DATA MANAGEMENT
FOR IN-HOUSE CD ROM STORAGE & RETRIEVAL IN LIBRARIES
OR COMPANY DATA STORAGE AREAS.

THE DESIGN WILL BE MODULAR ENOUGH TO
ADAPT TO DIFFERENT DISK SIZES AS THE INDUSTRY
MOVES TO SMALLER FORMATS, AND SHOULD BE
PROTOTYPED BY THE END OF 1998.

B. B. June 17, 1998

CHRISMAN BYNUM & JOHNSON

CHRISMAN, BYNUM & JOHNSON, P.C.
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FACSIMILE 303.449.5426

SCOTT B. ALLISON
ATTORNEY AT LAW
PATENTS, TRADEMARKS & COPYRIGHTS
sba@cbj.com



JUNE 22ND 1998,

MET w/ SCOTT ALLISON

CHRISMAN, BYNUM, & JOHNSON.

1 1/2 hour meeting regarding CB & J MERITS
COVERED F.R.A. ISSUES — NO OBLIGATION

PATENT POSSIBILITIES

CB & J CAPABILITIES

RELEASED DVD KIOSK CONCEPT

COLLECTED INFO ON I.P. & BOOK "PATENT IT YOURSELF"

MET w/ STEVE CONLEY OF
COOLY GODFORD (CG)

1/2 HOUR MEETING REGARDING MERITS
OF C.G. EXPERIENCE, GOD INTERNATIONAL &
HIGH TECH (I.T.) EXP.

RELEASED DVD KIOSK CONCEPT

GATHERED BIO INFO ON JIM LINFIELD

COVERED F.R.A. ISSUE — NO OBLIGATIONS.

PATENT ISSUES DEFERRED

JIM LINFIELD TRAVELS 2/14 DAYS

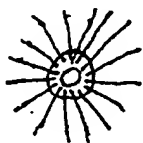
ENDS UP BEING 1/5 TIME AWAY, DIFFICULT TO CONTRACT?

Exhibit 7

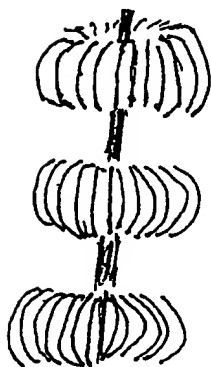
Possible Disk Configurations

June 23 1998
B. Pals

TOP VIEW

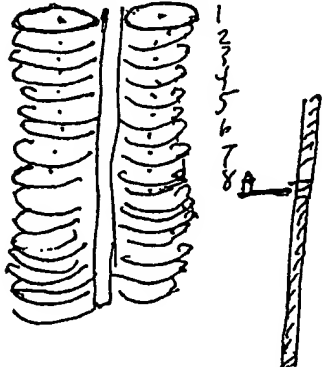


SIDE VIEW

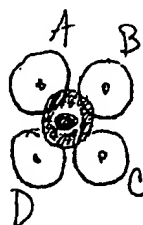


- OR -

SIDE VIEW

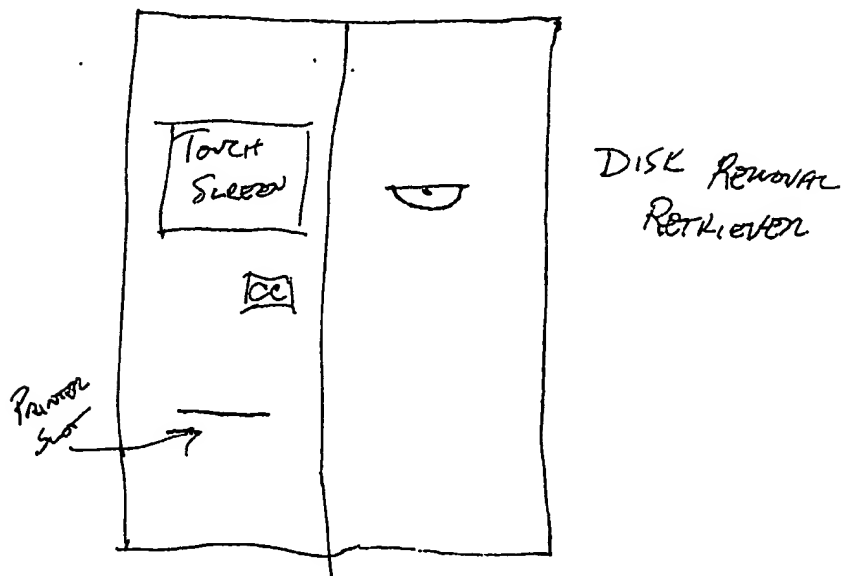
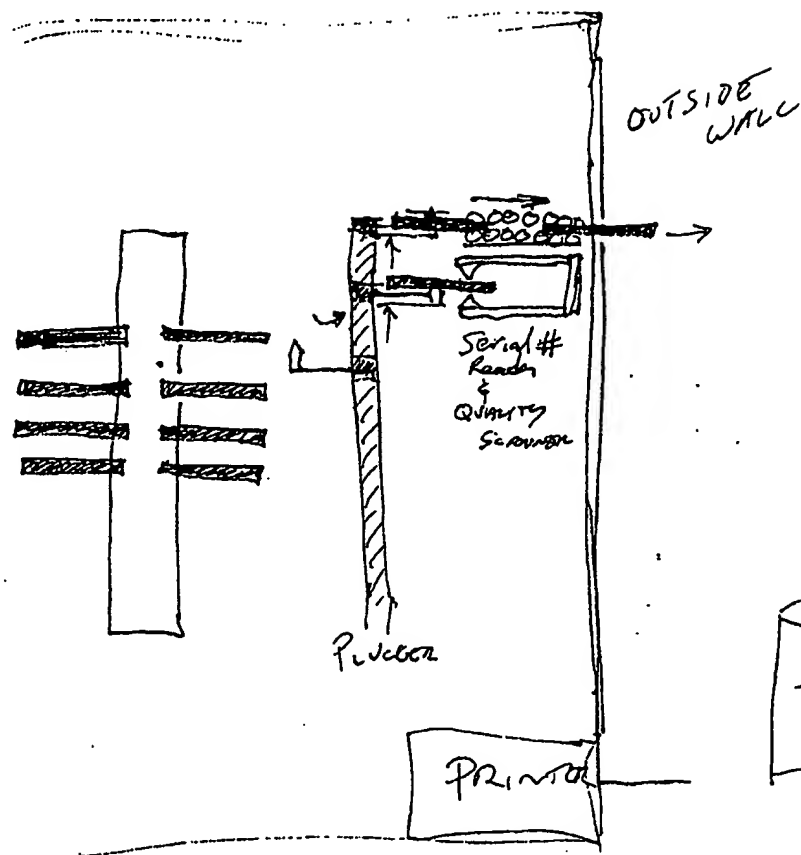


TOP VIEW



INDIVIDUAL SLOTS ASSOCIATED NUMBER (B36)
PULLING MECHANISM RETRIEVES AND
RESTACKS RANDOMLY RECORDING DISK
SERIAL # WITH SLOT #.

June 23, 1998
B. Balg



June 26, 1998 B. Baker

Called Brazil by Steve Conley
from Carly Godard re C.G. Representation.
Turned me down w/ explanation that they
were too busy to pursue early stage
start-ups. Said they would watch my progress.
It had taken 5 days and the client
service rep to get back to me. Recommended
Tim Carpenter @ Hutton & Brazil

Spoke w/ Phil Tomasi about disk assessment
hardware. He will talk w/ optical experts
about best technologies for assessing scratches
and playability of disks. Maybe serial #
assigned record of disk quality on way out and
on way in to maintain continual ongoing
record to alleviate disputes by renters that
scratches occurred prior to rental. This may
have individual product viability. Rental stores
may want ^{desktop} product to assess DVD rentability.



13274 Fiji Way
Marina del Rey
CA 90292-7090

EVAN H. HITCHCOCK
Sales

310 577-7700 x7350
310 574-2867 fax
EHitchcock@infonorth.com
www.infonorth.com

June 30th

B.

Bob Kremer KREMER
x 7300

THEATRE LAND
x 7305

called North Com INTEREST LATER

re meeting on July 13th

Bob Kremer Returned call, Meeting @ 9:00-11:00 ^{July 13th} call to

confirm tour w/ THOMAS LAND

CU Business Library

Industry Information from STANDARD & POORS
"Industry Surveys" "Movies & Home Entertainment"
MAY '98

1997 Data	\$16.8B	Total	< \$9.2B	Rental
1998 Forecast	\$17.5B	Total	< 7.6B	SELF THROUGH
			9.5B	Rental
			8.0B	SALES

THIS IS 3X WHAT IS SPENT ON BOX OFFICE
THEATRE VISITS.

Bob Kremer -
Regional SALES manager Lower Rocky Mtns
bkremer@infonorth.com

July 2, 1998 B. Bala

Feasibility Plan
Financials Projected

SPOKE w/ SALES REPS @ 28th STREET
BLOCKBUSTER VIDEO re. STATISTICAL BUSINESS.

AVG # MAN HOURS PER DAY

RANDOM TUESDAY = 37.7 HOURS

AVERAGE \approx 45 MAN HOURS

$\times 7 \text{ days} = 315 \text{ manhours/week}$

AVG # MOVIES RENTED PER NIGHT

RANDOM TUESDAY = 44/ NOTED Below Average

WEEKEND \approx 1500

MAX franchise store \approx 3500 NOTED since all stores have volume

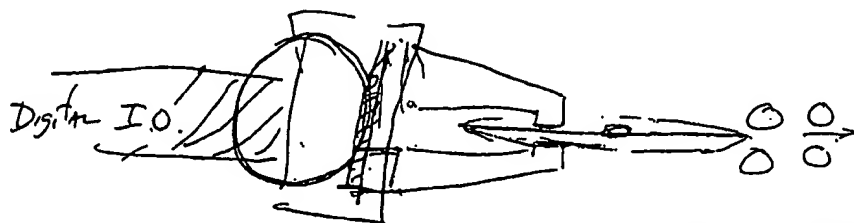
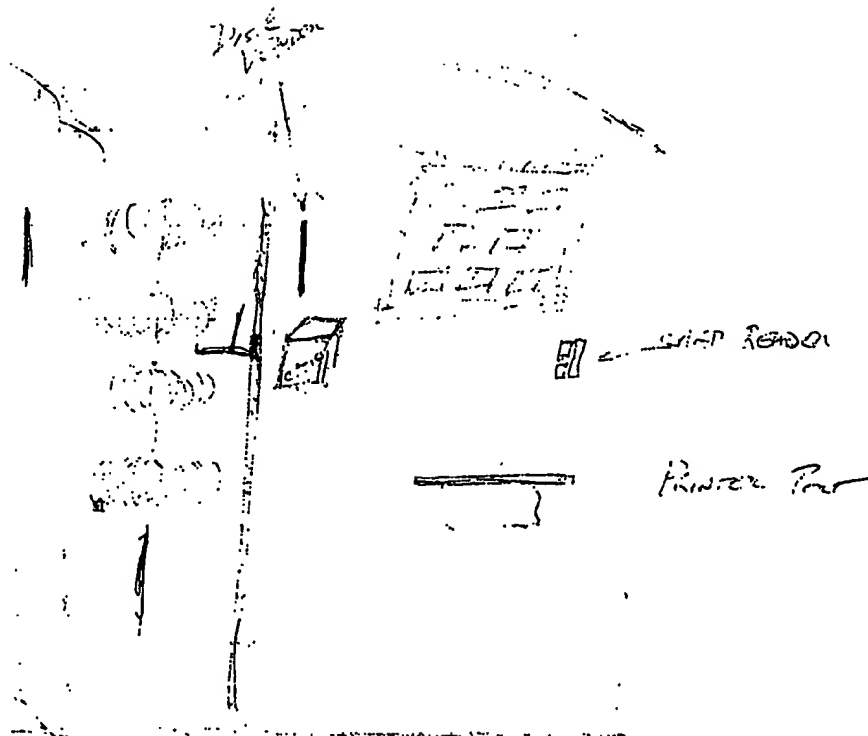
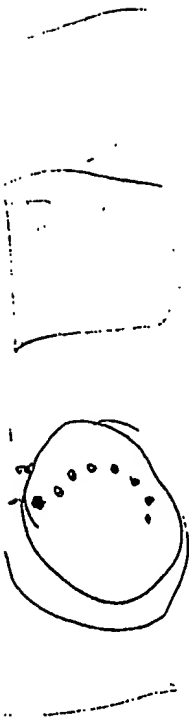
Conservative average estimate \approx 1000 / night

NEED Disk Depreciation Schedule

BAKER & TAYLOR
Information and Entertainment Services

Eric Van Lom
Telemarketing
Sales Representative

Baker & Taylor Entertainment
3005 S. Parker Rd., Suite #318
Aurora, CO 80014
Tel: 303 369 9229 ext. 250
Tel: 800 775 8300 ext. 250
Fax: 303 369 9669



July 7, 1998 B. Gale

20 TRANSACTIONS / NIGHT is normal SO IS WAY
\$ 250,000 SOFTWARE HIGH
Timing is Key

± 20% Give Away To ^{Kiosk} Housing Unit (ie Safety etc)

6 month development cycle

MEETING WITH RICK MARONE & TANYA
FROM K.I.S.

SIGNED CONFIDENTIAL INFORMATION AGREEMENT
SHARED DISK KIOSK concept and details
OF PLANNED DESIGN.

K.I.S. CONCERNS INCLUDED

- OPTICAL SENSING COMPLEXITY
- DISK TRANSPORTING SYSTEM
- SOFTWARE DEVELOPMENT COSTS FOR
- MANIPULATION OF DISKS AND DAMAGE TO DISKS.
- MARKETING
- MY EXPERIENCE ^(a lack) WITH THIS TYPE OF PROJECT.
- TIMING OF EACH CUSTOMER. Spin/in 4 hour PRIME WINDOW?

July 31st 1998

bill
bly

Conference Call with

Bob Keene

NORTH STATES Rep

Peter Jennings

NORTH APPS ENGINEER

Phil Tomas

Ben Barber

Discussed necessary hardware and software tools, such as serial port vs parallel ports for physical manipulation devices in kiosk. Also software programming languages for motor controllers. Phil questioned Peter Jennings re. compatibility issues to proactively manage optical sensor & disk transducer design compatibility. Also, Loyola & Side can dimensions! Phil will go in to meet with North next week to measure out internal space requirements of Loyola & Side can.

Set up meeting with Gary Bloomer of Boulder Technology Incubator for next Wed. (Aug 5)
also set up meeting w/ Scott Mackey to look @ Financials (Sunday Aug 2)

AUG 5, 1998

J. D. Kelly

B T I Boulder Tech Incubator

Met with Gary Bloomer VP.

Discussed Pros & Cons of Joining Tech Incubator

Client Fees 400,000 - Budget

→ \$120,000 - Client Fees (Rent)

Rent for 280,000

Non-Profit Grants
Gifts, Equity
Positions in Companies.

Non-Profit
Donations

Office Space

Equity More Support excess
5-7%

Boulder \$500 cubicle
\$750 office

Logan { \$500 office hold 5 people

Rocky Flats

Grants for Legal Patent Pursuit

Can Apply for \$5000 Grant through
Rocky Flats for Patent Fee Help.

SPOKE w/ PHIL TOMASI. HAS Meeting FRIDAY, AUG 7th w/
NORTH TO MEASURE LOYOLA & SIDELAR. E-MAIL @ Verbatim
GAVE HIM CHARLES PLUMER
CPLUMER@sanyo-verbatim.ca

AUGUST 22, 1998

B. B. G.

Computer search @ business library
for information on CD MANUFACTURING
& PATENTS ON CD SURFACE DEFECTS

<http://www.patents.ibm.com>

found web pages for manufacturers

Sony - verbatim

Pioneer Video

Digital Matrix

OTAR

STENG Hamatech

BASLER IMAGE Processing

Sent e-mail messages to Sony & Pioneer &
STENG Hamatech requesting info on simple scratch?
Dig inspection equipment.

PATENTS Found for CCD surface defect
pat# 5726705 For Automobiler

BBG 9-3-98

AUG 31 → SEPT 3 1998

MET W/ PHIL TOMASI IN THOUSAND OAKS
TALKED ABOUT DEVELOPMENT PLAN

MET W/ TRISTAN DAY IN SANTA BARBARA TO TALK
ABOUT SOFTWARE DEVELOPMENT

= WED SEPT 3rd

MEETING W/ BOB KREMMER &
PETER JENNINGS @ NORTH COMAN
IN MARINA DEL REY.

TALKED ABOUT NEXT STEPS IN
APPLICATION DEVELOPMENT.

WE CAN DO SOFTWARE (SAVE = \$50000)

PURCHASED TOUCH SCREEN ^{\$1300} & 1 COPY OF
"NET GAIN" SOFTWARE. ^{\$259}

DROVE BACK TO SANTA BARBARA TO FURTHER
DISCUSS SOFTWARE W/ TRISTAN DAY.

PURCHASED 3 USED AUTO CD PLAYERS ^{\$60} AND
DISMANTLED TO VIEW TRANSPORT MECHANISM.
CONICAL ROLLERS GRAB OUTSIDE OF DISK AND SPRING
CLUTCH ALLOWS FOR DIFFERENT PRESSURE.

PURCHASED DVD-ROM DRIVE AND INSTALLED
IN PHIL'S HOME COMPUTER
INSTALLED TOUCH SCREEN AS WELL ON
SAME SYSTEM.

9-27-98

DEMO EVALUATION OF SONY'S CDL5000
HEAVY SYSTEM BUT TOO LARGE
FOR NORTH KIOSK SIDE CAR.
GOOD DISK TRANSFER SPEED

CYGNET

b. Ball
10-13-98

DEMO EVALUATION OF CYGNET
INFINIDVD SYSTEM.

EXCELLENT! Double CAROUSEL ²⁵⁰ DISK
each. MODULAR. BELT DRIVEN
PLUCKER CAN deliver to EXIT
MECHANISM. SAVES ENGINEERING
TIME. RACK MOUNTABLE MEANS IT
CAN BE BUILT UP RIGHT INTO SIDELAR.

NATOMI GIOIA - 916 - 682-6263
WESTERN Regional Sales 8793 Loganberry Pl
ELK GROVE CA 95624

HORATIO VLESCU 1800 - 7CYGNET
PRODUCT MANAGER

30 DAY EVAL. P.O. # 5025

10-30-98

HUTCHINSON

CDROM

GORDON

SIGNED BTI LEASE

RECEIVED SIGNED COPY OF ROCKY FLATS
INITIATIVE \$5000 DEVELOPMENT GRANT.

SPOKE w/ GARY B.

JERRY D.

DAVE REBEL

ABOUT BTI NEEDS

- 5% OWNERS EQUITY
- TIMELINE DEVELOPMENT
- OFFICE NEEDS

11-2-98

1st DAY @ BTI

- RECEIVED BOOK DIAGRAM FROM PHIL
FORWARDED TO DAVE WORTHLEY

PHONE SERVICE CONNECTION AND
VOICE MAIL SERVICE IN PLACE

PURCHASED	PHONE	OFFICE Depot
	FOLDERS	\$101.90
	STAPLER	
	TAPE	etc
	MARKERS	
	CALENDAR	1999

Exhibit 18

11-5-98



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DAVID J. WILLBRAND
ATTORNEY AT LAW
E-MAIL: DJW@COJ.COM

303-
546-
1319
Direct

MEETING w/ DALE WILLBRAND
FROM CB&J Re. Business entity.
AND POSSIBLE EQUITY FOR SERVICES PLAN.

RECEIVED e-mailed copy of proposed plan
on 11-13-98

11-19-98 B. Boly
~~11-20-98~~

PHIL HAS A REALIZATION.

SIMPLE SOLUTION?

WHOLE CYGNET SYSTEM COULD FIT IN
THE LOYOLA WITHOUT THE SIDEARM.

DESIGN WORKS ON PAPER WITH CURRENT ROUGH
MEASUREMENTS OF KIOSK.

TRIP TO NORTH COMAN -

- FLAT SCREEN WON'T FIT IN KIOSK BEVEL
- C.R.T. ANGLED WOULD BUMP INTO CYGNET
BOX.

DRAWINGS DILEMMA AGAIN!

- OTHER NORTH SYSTEM (DESKTOP) COULD
WORK AS A FRONT END WITH OUR OWN BOX
FOR THE CYGNET. EXTRA WORK.

NOT SIMPLE

11-20-98

BACK @ THE CYGNET

TOP 6 INCHES ARE EMPTY!

CRT SCREEN MIGHT FIT!

GOT A DEMO EVALUATION UNIT
OF THE LOYOLA BOX TO TEST
WITH CORRECTED MEASUREMENTS AND
FIT FOR A 19" RACK MOUNT SYSTEM
COMPATIBLE W/ THE CYGNET.

PROGRESS!

PHIL WILL HAVE THE UNIT FOR TWO
WEEK EVALUATION. CAN MEASURE, FIT,
& EXAMINE! WE ALREADY HAVE
TOUCH SCREEN & CYGNET!

11-23-98

Bill Bly

Phone Call w/ Phil.

Loyola NOT VIABLE. Need to
GENERATE DRAWINGS ON NEW BOX WITH
HOUSING SPACE FOR PERIPHERALS

11/30/98

Bill Bly

NEW Computer (DELL INSPIRON 7000 LAPTOP)
ARRIVES.

Software installation

12-7-98

tms1@worldnet.att.net

Meeting w/ THEERA SZCZUREK

NOT AVAILABLE FOR Advisory Comm. HRE.

THE 5 P's

- PEOPLE
- PRODUCT
- PRICE
- PLACEMENT
- PROMOTION

UNMET needs WHO ARE MOST likely
USERS

NEED USER PROFILE verify market w/ PROTOTYPE & QUESTIONNAIRE
RESEARCH demographics, usage & LOCATIONS

MEETING w/ Bill Roberts
Hoyne Roberts & Owen

ENTITY

What does it own

NAME & TRADEMARK

* OPERATIONAL Agreement

LLC FILING IS EASY, OPERATIONAL
Agreement TOUGH. Need HARDWARE & Software
to be PROPERTY OF THE ENTITY

Bill Selig

12-8-98

MEETING w/ DAVE WILLBRAND LUNCH MTH.
C B & J Ke

PAYMENT PROPOSAL FOR SERVICES.
SPOKE ABOUT BENEFITS & PROBLEMS OF AN
EQUITY SHARING POSITION. DISCOUNTED PRICING IS
AT APPROXIMATELY 1/2 NORMAL FEES. CONSIDERATION
FOR EXTRAORDINARY TRANSACTIONS SEEMS QUITE HIGH.
ALL STILL NEGOTIABLE.

MET w/ MARIL EBEL
& HEIDI GLANCE RE.
HOLLAND HART ATTORNEYS.
PRICING IS DOUBLE C&J
BUT EXPERIENCE LEVEL
APPEARS GREATER. EQUITY
STAKE MAY EXIST IN FUTURE
(6 MONTHS). DENVER BASED.

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COLORADO, IDAHO, MONTANA, UTAH, WYOMING

12-16-98

FLEW DAVE WORTHLEY INTO BORGANIL FROM
SAN FRANCISCO. MET W/ PHIL & DAVE
TO INTRODUCE THE TWO AND DISCUSSED -

- NECESSARY CONFIGURATION ISSUES AND COMPATABILITY.
- NEED FOR NORTH LOYOLA
- NEED FOR NET GAIN
- DATABASE STRUCTURE
- HARDWARE INTERACTIONS
- SOFTWARE NEEDS
- INFORMATIONAL TRANSFER
- PERSONNEL CAPABILITIES
- TIMING AND INFORMATION SHARING
- BUSINESS PHILOSOPHY

1-5-98

CONTACTED

CASE LOGIC Re: Disk Sleeves
SERGE & Associates: Axiotm Card Reader
DYNAPRO Touch Screens
Ruggedized Computers
Kiosk Printers

SWECOIN

: Kiosk Printers

ELO

: Touch Screen

ORDERED

EVALUATION UNITS OF

Kiosk THERMAL Printer - SWECOIN

MAGSTRIPE CARD READER - AXIOTM

TOUCH SCREEN - ELO

DISK SLEEVES - CASE LOGIC

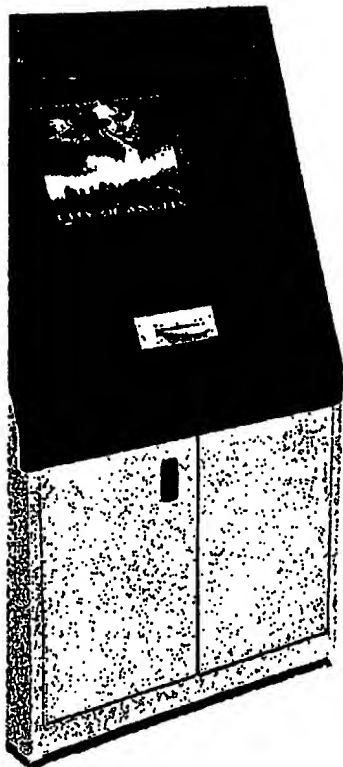
Spoke w/ MARK EBEL Re LLC Formation
Pricing. Heidi Glance would be the
main contact. Writing for can back

1-6-98

Spoke w/ DAVE Cook
CHRISMAN Bynum & Johnson
Re. Pricing structure for LLC
formation.
4:00 meeting @ CB!

Spoke w/ Bill Roberts re Pricing for LLC
formation & IP Assignment.
verbal estimate = \$1000

Automated and Sale Of VD ovies



Product

Freeflyr is building a network of stand-alone, unmanned kiosks that will allow rental and/or sale of video releases on DVDs. The kiosks have a footprint of less than 7 square feet and can be installed at a variety of locations, i.e. universities, grocery stores, bus stops, train stations, office and apartment buildings, and in drive-up windows. Each kiosk holds up to 500 CD sized disks.



Consumer Benefits

The system is as easy to use as a gas station pay-at-the-pump system, and considerably more convenient than a trip to a video store. The key is locating kiosks in areas that are re-visited by customers on consecutive days eliminating the "special trip" to the video store for selection and return. Customer will be attracted to improved convenience entertainment during transaction, title availability, and quality of product. Soon it will be possible to check for title availability and make reservations at specific kiosks over the Internet.

Opportunity

Kiosk owners will benefit from comparable market pricing for DVD product while enjoying high performance locations and operating costs that are estimated at 1/20th that of conventional store. Another major benefit comes from the advertising capabilities of the kiosk monitor before, during, and after transactions.

In addition, continual information transmitted via data lines from each kiosk to a central server that can provide; real time transaction monitoring, local consumer trends, stocking requirements, operating efficiency data, and security information.

FreeFlyr
(Automation)

303-443-7416
4001 Discovery Drive, Suite 390-A
Boulder, CO 80303